افغانستان آزاد – آزاد افغانستان

AA-AA

چو کشور نباشد تن من مبـــاد   بدین بوم و بر زنده یک تن مــباد
همه سر به سر تن به کشتن دهیم   از آن به که کشور به دشمن دهیم

www.afgazad.com   afgazad@gmail.com

European Languages	زبانهای اروپائی

Ela Maartens, Peter Schwarz
22.07.2022

War against Russia plunging Germany into a massive energy crisis

Government officials, business representatives and the media are preparing the German public for a massive energy crisis this winter. If gas imports from Russia were to dry up completely, German gas storage facilities would be empty by next February, according to a calculation by the Brussels-based think tank Bruegel.

Freezing in the apartment [Photo by rawpixel.com - www.freepik.com] [Photo by rawpixel.com - www.freepik.com]

Numerous plans are already circulating to force lower temperatures in private homes and public buildings and to shut down large parts of the public infrastructure—including swimming pools, libraries and sports facilities. Even the shutdown of air purifiers in schools that work to reduce the risk of coronavirus infection is under discussion.

Business representatives warn of the collapse of large operations in energy-intensive industries such as chemicals. Many small businesses, such as bakeries, fear for their existence. Employers' President Rainer Dulger told the *Süddeutsche Zeitung*: "We are facing the biggest crisis the country has ever had... We will lose the prosperity we had for years."

Under German and European law, private households and critical infrastructure such as hospitals, nursing homes and care facilities are given priority protection. But that is already being called into question. Economics Minister Robert Habeck (Greens) suggested reconsidering their prioritization in allocating gas in favour of industry.

The relevant regulation was intended for short-term disruptions, he said during a visit to Vienna. It made no sense in the case of months-long gas supply disruptions. Industry could not automatically be put at the back of the queue, and this would have to be "thought about," the minister said.

Siegfried Russwurm, president of the Federation of German Industries (BDI), said the current prioritization rules for a gas shortage were "only created for short-term interruption of individual pipelines." For the tough new energy reality, he declared, "politicians in Berlin and Brussels must create a new set of rules."

But even if critical facilities and private households retain their priority in energy allocation, many will no longer be able to afford the expensive prices for gas and electricity. According to the Federal Statistical Office, prices for energy products already rose by a whopping 38 percent in June compared to the same month last year. Natural gas registered a 60.7 percent hike and electricity now costs 22 percent more.

Last week, Klaus Müller, president of the Federal Network Agency—the regulatory office for electricity, gas, telecommunications, postal and railway markets—and a former Green Party politician, spoke to the news agency RND and clarified the extent of the additional financial burden: "For those who are now receiving their heating bill, the costs are already doubling—and that's not even taking into account the consequences of the Ukraine war."

He went on to explain, “From 2023, gas customers will have to be prepared for a tripling of their bills, at the very least.” It was “absolutely realistic,” he said, that customers who currently pay €1,500 a year for gas will be asked to pay €4,500 and more in the future.

In addition to record energy prices, the continuing high rate of inflation is also a massive burden. According to the Federal Statistical Office, the average price level in June was 7.6 percent higher than a year ago. Foodstuffs were 12.7 percent more expensive, and fuels recorded an increase of 33.2 percent—despite the “fuel rebate” in the form of reduced mineral oil taxes, most of which flows into the pockets of the mineral oil companies.

The energy crisis is largely homemade. It is the price that the population must pay for the war NATO is waging against Russia in Ukraine. The attempt to bring Russia to its knees by imposing economic sanctions and supplying billions worth of weapons to Ukraine has triggered the energy crisis.

In a guest article for the *Frankfurter Allgemeine Zeitung* on Monday, Chancellor Olaf Scholz (Social Democrats) made it clear that the government was not prepared to back down under any circumstances and seek a negotiated solution. With the historic decisions of recent months, the European Union had taken a big step toward becoming “a geopolitical player,” he boasted.

The German government does not want to give up its world power plans, which are linked to the largest rearmament campaign since Hitler. The road was “not easy, even for a country as strong and prosperous as ours,” Scholz wrote. “We will need staying power.” Many citizens were already suffering from the effects of the war and were looking anxiously at their next electricity, oil or gas bills, he acknowledged. But he was convinced that “we will come out of this crisis stronger and more independent than we went in.”

Since the early 1970s, Germany has bought gas reliably and cheaply first from the Soviet Union and then from Russia. Even immediately before Russia’s reactionary attack on Ukraine, which NATO deliberately provoked by its constant advances eastward, Germany was buying more than 50 percent of its gas from Russia.

Since then, because of sanctions and the war, gas supplies cover only 30 percent of demand. The completed Nord Stream 2 pipeline has not been put into operation. The

Yamal pipeline, which runs through Belarus and Poland, has ceased operations. Nord Stream 1 ended up delivering only 40 percent of its potential capacity because a gas turbine repaired in Canada fell victim to the sanctions.

Moreover, Nord Stream 1 is currently undergoing annual maintenance, which is expected to be completed by Thursday. However, it is unclear whether Russian gas will flow to Germany again. It would be impossible to compensate for a complete outage.

The EU Commission has calculated that if supplies were completely halted this month, only just under 15 percent of the gas that Russia has supplied to Europe so far this year could be offset by other suppliers. It said the EU would miss its target of filling gas storage facilities to 80 percent by early November, with a maximum of 65 to 71 percent possible.

In the first half of this year, the EU did import more natural gas than in the first half of 2021, although imports from Russia fell by 30 billion cubic meters. But alternative import options are now largely exhausted. Norway and the Netherlands, which supply pipeline gas to Germany, have reached maximum capacity.

The global supply of liquefied natural gas (LNG) is also unlikely to increase now. Demand from China, the world's largest LNG importer, is expected to rise significantly in the coming months. In addition, there is a fire at Freeport, the second largest export terminal in the US, which will not return to full operation until the end of the year.

Germany has no LNG terminals of its own. The two floating terminals currently under construction could unload at most one billion cubic meters of natural gas per month, about 10 percent of consumption in a winter month.

LNG is also extremely expensive. On the exchanges, the price has increased seven-fold in some cases. This is causing difficulties for intermediaries such as Germany's largest gas trader Uniper, which had agreed long-term supply contracts at fixed prices. The German government is supporting these firms with billions of euros and in May rewrote the Energy Security Act to allow them to pass on higher prices to end customers.

Government officials are mocking the victims of their policies with cynical advice. Klaus Müller, the Green Party head of the Federal Network Agency, urged people to take technical measures in view of the massive price increases: "Talk to your landlord or a tradesman, if he is still available. What can be done to optimize heating?"

He also suggested: "Voluntarily increase your budget or set aside some money each month, for example in a special account." Who is he trying to fool with this?

According to a parliamentary question tabled by the Left Party in September 2021, 12 percent of full-time employees paying health and social insurance draw a monthly gross wage under €2,000. And what about the unemployed, pensioners and students? It is simply impossible for such people to reequip their homes or build up reserves. They can barely pay for the bare necessities with the money that is available to them each month.

To compensate for the massive price hikes, there is currently a one-off energy price allowance of €300, which is being paid out in September and which will be taxed—just a drop in the bucket. Unemployment benefit recipients receive even less. Pensioners who do not pay income tax will go away empty-handed.

While a special fund of €100 billion is being made rapidly available for the Bundeswehr (Armed Forces), the government coalition is letting workers fall off the edge of a cliff. There are already discussions about warming centres and rent moratoriums, because it is clear that many people will no longer be able to afford the rising energy costs.

Freezing and starving for war—that is the price the government is imposing on the population in order to once again become Europe's leading military power.

World Socialist 21.07.2022